

Message Text

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PAGE 01 STATE 000035

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TO USMISSION OECD PARIS PRIORITY

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ATTN: LABOR ATTACHE

EO 11652: NA

TAGS: ELAB, OECD

SUBJ: SECOND REVISION OF PROPOSED RECOMMENDATION ON MANPOWER
AND EMPLOYMENT POLICY - MO (75) 35

1. SECRETARY OF LABOR AND HIS STAFF HAVE REVIEWED THE SUBJECT
RECOMMENDATION DATED DEC 12, 1975 AND BELIEVE THIS LATEST
REVISION IS A STATEMENT TO WHICH THE U.S. COULD AGREE WITH A
FEW MINOR CHANGES.

2. THE SECRETARIAT HAS REQUESTED COMMENTS BY JAN 1. PLEASE
TRANSMIT THE FOLWG SUGGESTED CHANGES IN THE TEXT TO MR GASS:

PARA 4. CHANGE TO READ:

AGGREGATE FISCAL AND MONETARY POLICY HAS ENABLED MANY MEMBER
COUNTRIES TO STOP THE DOWNWARD SLIDE IN ECONOMIC ACTIVITY WHILE
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PAGE 02 STATE 000035

PREVENTING FURTHER INCREASES IN THE RATE OF INFLATION, BUT POLICY

MAKERS ARE CONSTRAINED FROM REFLATING AGGREGATE ECONOMIC ACTIVITY TOO RAPIDLY BECAUSE OF THE VERY REAL DANGER OF FEEDING INFLATION TO THE POINT THAT AN ECONOMIC DOWNTURN MORE SERIOUS THAN THAT EXPERIENCED IN THE LAST TWO YEARS WOULD BE INEVITABLE.

PARA 5. CHANGE TO READ:

NEW LINKS THEREFORE NEED TO BE FORGED BETWEEN MACRO-ECONOMIC POLICY AND SELECTIVE MANPOWER AND EMPLOYMENT POLICIES IN A MANNER WHICH IS EXPANSIONIST WITH REGARD TO LEVELS OF ECONOMIC ACTIVITY AND EMPLOYMENT BUT HAS A MINIMAL INFLATIONARY IMPACT. (DELETE SECOND SENTENCE).

PARA 8. CHANGE TO READ:

THESE DEVELOPMENTS, AMONGST OTHERS, HAVE CONTRIBUTED NOT ONLY TO HIGHER STANDARDS OF LIVING FOR MANY FAMILIES BUT ALSO TO RISING EXPECTATIONS ESPECIALLY AMONG DISADVANTAGED GROUPS IN TERMS OF EMPLOYMENT GOALS, INCOME, AND THE QUALITY OF WORKING LIFE. SUCH ASPIRATIONS WILL BE DIFFICULT TO MEET UNLESS EFFECTIVE METHODS ARE FOUND TO INCORPORATE DISADVANTAGED GROUPS INTO THE MAINSTREAM OF ECONOMIC ACTIVITY.

PARA 10.

DELETE BRACKETED LANGUAGE.

PARA 16. CHANGE TO READ:

MOST OF THESE SELECTIVE POLICY MEASURES LIE BETWEEN AGGREGATE DEMAND MANAGEMENT AND THE MORE TRADITIONAL INSTRUMENTS OF MANPOWER POLICY EMPHASIZED IN THE 1964 RECOMMENDATION. AGGREGATE DEMAND MANAGEMENT AFFECTS ECONOMIC ACTIVITY AS A WHOLE; TRADITIONAL MANPOWER POLICIES FOCUS ALMOST EXCLUSIVELY ON LABOR MARKET VARIABLES. SELECTIVE MEASURES HERE WILL REFER TO THOSE WHICH ARE TARGETTED AT PARTICULAR FACTORS OF PRODUCTION, REGIONS, INDUSTRIES, OR SECTORS OF THE ECONOMY, AND WHICH VERY OFTEN OPERATE THROUGH INDIRECT EFFECTS. THE USE OF THE TERM "MANPOWER AND EMPLOYMENT POLICY" IS INTENDED TO INDICATE THAT SUCH MEASURES ARE AN INTEGRAL PART OF THE POLICY CONSIDERATIONS TO WHICH THIS UNCLASSIFIED

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PAGE 03 STATE 000035

REPORT IS ADDRESSED.

ADDITIONAL PARAGRAPH BETWEEN PARAGRAPHS 20 AND 21.

THE PROGRAMS DISCUSSED ABOVE ARE ESSENTIALLY COUNTER-CYCLICAL MEASURES. IT SHOULD BE NOTED THAT ANOTHER CLASS OF SELECTIVE EMPLOYMENT MEASURES, DIRECTED AT REGIONS SUFFERING UNDUE ECONOMIC HARDSHIP, IS ALSO BEING EMPLOYED BY MEMBER COUNTRIES.

DEPENDING ON THE PHASE OF THE CYCLE, THESE MAY BE INCREASED OR DECREASED IN SCALE, BUT THEIR PRIMARY PURPOSE REMAINS THE REMEDY OF PARTICULAR REGIONAL, OR INDUSTRY SECTOR PROBLEMS WHICH ARE BASICALLY STRUCTURAL IN NATURE.

PARAGRAPH 21. CHANGE TO READ:

TRAINING IS AN IMPORTANT INSTRUMENT OF MANPOWER POLICY WHICH PROVIDES FOR THE ADAPTATION OF WORKERS TO NEW EMPLOYMENT STRUCTURES AND PREPARES DISADVANTAGED GROUPS FOR BETTER EMPLOYMENT OPPORTUNITIES. INCREASED TRAINING DURING PERIODS OF RISING UNEMPLOYMENT ALSO ASSISTS THE ACHIEVEMENT OF A LESS INFLATIONARY EXPANSION OF EMPLOYMENT DURING THE RECOVERY PHASE.

PARAGRAPH 25.

DELETE LAST PART OF PARAGRAPH WHICH NOW READS:

"AND PARTICIPATE IN DECISIONS AFFECTING THEIR ECONOMIC FUTURE"

FOOTNOTE 1 ON PAGE 8. CHANGE TO READ:

BECAUSE THE NON-EUROPEAN MEMBER COUNTRIES FACE A DIFFERENCE SET OF PROBLEMS, THE CONCLUSIONS OF THIS REPORT SUMMARIZED IN PARAGRAPH 32, 33, 34 AND 35 ARE NOT NECESSARILY APPLICABLE TO THESE COUNTRIES.

PARAGRAPH 37, ITEM G. EITHER DELETE OR CLARIFY REFERENCE TO:

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PAGE 04 STATE 000035

"DIFFERENTIAL TREATMENT OF DISADVANTAGED GROUPS" (COULD BE INTERPRETED TO MEAN LESS THAN EQUAL TREATMENT - COULD ALSO BE INTERPRETED TO MEAN THE CREATION OF A PERMANENT WELFARE CLIENTELE).

PARAGRAPH 38. CHANGE FIRST SENTENCE TO READ:

"THE FEASIBILITY OF SOME OF THESE MEASURES IS YET TO BE FULLY ESTABLISHED AND, IN ANY EVENT THE SELECTION OF SPECIFIC INSTRUMENTS WITHIN COUNTRIES WILL VARY WITH THE CONDITIONS, INSTITUTIONS AND PROBLEMS OF EACH MEMBER COUNTRY."

PARAGRAPH 40. CHANGE TO READ:

THREE CRITICALLY IMPORTANT ELEMENTS REMAIN TO BE ACHIEVED IF

MEMBER COUNTRIES ARE TO EFFECTIVELY PURSUE MANPOWER POLICY OBJECTIVES. FIRST, THE INSTITUTIONS RESPONSIBLE FOR IMPLEMENTING MANPOWER POLICY MUST BE HIGHLY IF NOT FULLY INTEGRATED WITH THE INSTITUTIONS DIRECTING OTHER FORMS OF ECONOMIC POLICY, AND WELL COORDINATED WITH THOSE PURSUING OTHER FORMS OF SOCIAL POLICY WHICH HAVE MANPOWER CONSEQUENCES. IT IS ONLY IN THIS WAY THAT THE MANPOWER CONSEQUENCES OF POLICIES CAN BE THOUGHTFULLY ASSESSED AND GIVEN THEIR PROPER WEIGHT IN POLICY DECISIONS. THIS EXTENDS BEYOND THE "TRADITIONAL" MONETARY AND FISCAL POLICIES TO INCLUDE SOCIAL SECURITY, AND WELFARE, IMMIGRATION, EDUCATION AND TRAINING, HOUSING, TRANSPORTATION, AGRICULTURE, ENERGY, AND INTERNATIONAL TRADE POLICY. SECONDLY, A SUBSTANTIAL IMPROVEMENT IN TECHNIQUES IS REQUIRED TO ASSESS SYSTEMATICALLY THE MANPOWER CONSEQUENCES OF DECISIONS IN THE FOREGOING POLICY AREAS. THIRD, THE BASE OF KNOWLEDGE ABOUT THE MYSTERIOUS AND DYNAMIC WAYS THE LABOR MARKET OPERATES AND THE QUANTITY AND QUALITY OF DATA REFLECTING THOSE OPERATIONS MUST BE SIGNIFICANTLY INCREASED.

PARAGRAPH 42. CHANGE SECOND SENTENCE TO READ:

"PLACEMENT FUNCTIONS SHOULD BE VIGOROUSLY PURSUED AND COMPLEMENTED BY AN INCREASING PROVISION OF VOCATIONAL INFORMATION AND COUNSELLING BASED UPON AN IMPROVED UNDERSTANDING OF ENTERPRISE BEHAVIOUR." ROBINSON
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PAGE 05 STATE 000035

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